## REMARKS

Applicants respectfully request reconsideration of the present application in view of the foregoing amendments and in view of the reasons that follow.

Claim 49 is currently being amended.

This amendment adds, changes and/or deletes claims in this application. A detailed listing of all claims that are, or were, in the application, irrespective of whether the claim(s) remain under examination in the application, is presented, with an appropriate defined status identifier.

After amending the claims as set forth above, claims 1-69 are now pending in this application.

## Claim Rejections – 35 U.S.C. § 112

In Section 2 of the Office Action, the Examiner rejected claims 1-69 under 35 U.S.C § 112, first paragraph, as failing to comply with the enablement requirement. The Examiner stated that independent claims 1, 24, and 47 contain "subject matter" 'secure digital input/output (SDIO) card' which was not described in the specification in such a way as to enable one skilled in the art to which it pertains which it is most nearly connected, to make and/or use the invention. At the time of the invention, SDIO card specification has not yet been published, therefore one of ordinary skill in the art would not be able to make and/or use the invention with SDIO card. The Examiner interprets SDIO card as just a card."

Applicants respectfully disagree with the Examiner's § 112 rejection. Persons of ordinary skill in the art were able to make and/or use SDIO cards prior to the publication of the actual SDIO standard. It is ordinary practice in the art for a specification standard to be communicated to engineers working in the field who are developing products based on the SDIO standard prior to the publication of the actual standard itself.

For example, Applicants submit, attached as Tab A, an article entitled "Sandisk to Supply Secure Digital (SD) Cards for Palms First Handheld Computers Using Removable Memory Cards." The article was published on March 19, 2001 which is prior to Applicants' filing date of March 29, 2001. In the article, it states that "Sandisk has been instrumental in establishing the SDIO (SD input/output) specifications. Sandisk is working closely with Palm, which co-chairs the SDIO committee, to establish SDIO as the standard for extending the capabilities of consumer products." Accordingly, Applicants submit that engineers skilled in the art had available to them the preliminary specifications of the SDIO format. Further, the article states that "the merits of the SD card – its small size, broad adoption as a standard, power efficiency, low cost, transfer rates and support for I/O – made it the best choice for our expansion slot. Sandisk's expertise helped us to optimize our dual expansion architecture." Accordingly, it is clear from the article that sufficient information to make and use the invention was available from Sandisk and the SD Association to develop products based on the SDIO format prior to Applicants' filing date of March 29, 2001. Accordingly, one of ordinary skill in the art was able to make and use the invention based on the SDIO card format prior to Applicants' filing.

Further, Applicants submit a press release entitled "New Sleek Palm M500 and M505 Handhelds Add Expansion, Mobile Connectivity and Vibrant Color," dated March 19, 2001, attached as Tab B. The article discusses the release of the Palm M500 series handheld and Palm M505 color handheld which includes a "postage-stamp-size SD and multimedia card slot for built-in expansion options." The article explains that the slot supports the SDIO format.

Accordingly, the SDIO format was well-known to those of ordinary skill in the art at the time of designing the M500 and M505 handhelds. Thus, those of ordinary skill in the art would have known how to make and use the invention recited in the claims.

Based on Applicants' submissions, Applicants respectfully request that the Examiner withdraw the § 112, first paragraph rejections of claims 1-69.

In Section 3 of the Office Action, the Examiner rejected claim 49 under 35 U.S.C § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim subject matter which Applicants regard as the invention. The Examiner stated that there is insufficient antecedent basis for the limitation "the handheld computer" (line 3) in the claim. Applicants respectfully submit that claim 49 has been amended to recite "portable electronic device" instead of "handheld computer". As the recitation of a handheld computer in 49 was merely a typographical error. Accordingly, the amendment to claim 49 should not be seen as a substantive amendment, but rather a correction of a typographical error.

**Claim Rejections – 35 U.S.C. § 102**

In Section 4 of the Office Action, the Examiner rejected claims 47-49, 52, 54-55, 61, 64, and 66-67. Under 35 U.S.C. § 102(e) as being anticipated by Ito, et al. (U.S. 2001/0042149). Independent claim 47 recites "a secure digital input/output (SDIO) card, "including an interface configured to be coupled to the electronic device. The Examiner also states that Ito discloses "a secured digital input/output (SDIO) card (device 1) including an interface configured to be coupled to the electronic device." Applicants respectfully disagree in that Ito does not disclose SDIO device. Ito discloses that a card type peripheral device in a PCMCIA card shape may be used in slot formed in a PC. The PCMCIA card device may include an SD card connector 24. However, the PCMCIA card device is not an SDIO card. Applicants believe that the Examiner is interpreting the SDIO card as just a card as explained in section 2 of the Office Action. However, because Applicants have overcome the § 112 rejection, the SDIO card recited in claim 47 should be interpreted as just that, an SDIO card and not a PCMCIA card. Accordingly, Applicants respectfully submit that independent claim 47 is not anticipated by Ito et al. Thus, claim 47 and its respective dependent claims are therefore allowable.

**Claim Rejections – 35 U.S.C. § 103**

In Section 5 of the Office Action, the Examiner rejected claims 50-51 under 35 U.S.C § 103(a) as being unpatentable over Ito, et al. in view of Petty (U.S. Patent No. 6,389,486).

Applicants respectfully submit that claims 50-51 as depending from independent claim 47 should be allowable as Applicants believe that independent claim 47 is allowable.

In Section 6 of the Office Action, the Examiner rejected claim 53 under 35 U.S.C. § 103(a) as being unpatentable over Ito et al. in view of Hawkins et al. (U.S. Patent No. 6,442,637). Applicants respectfully submit that claim 53 as depending on independent claim 47 should be allowable as Applicants believe that independent claim 47 is allowable.

In Section 7 of the Office Action, the Examiner rejected claim 56 under 35 U.S.C. § 103(a) as being unpatentable over Ito, et al. in view of Jones (U.S. Patent No. 6,145,046). Applicants respectfully submit that claim 56 should be allowable as depending from independent claim 47 which Applicants believe is also allowable.

In Section 8 of the Office Action, the Examiner rejected claims 57-59 under 35 U.S.C. § 103(a) as being unpatentable over Ito et al. in view of Nakashima (U.S. Patent No. 6,182,204). Applicants respectfully submit that claims 57-59 as depending from independent claim 47 should be allowable as Applicants believe that independent claim 47 is also allowable.

In Section 9 of the Office Action, the Examiner rejected claims 60 and 69 under 35 U.S.C. § 103(a) as being unpatentable over Ito, et al. in view of Yu (U.S. Patent No. 6,362,794). Applicants respectfully submit that claims 60 and 69 as depending from independent claim 47 should be allowable as Applicants believe that independent claim 47 is also allowable.

In Section 10 of the Office Action, the Examiner rejected claim 62 under 35 U.S.C. § 103(a) as being unpatentable over Ito et al. in view of Rajchel (U.S. Patent No. 6,272,575). Applicants respectfully submit that claim 62 as depending from independent claim 47 should be allowable as Applicants believe that independent claim 47 is also allowable.

In Section 11 of the Office Action, the Examiner rejected claims 63 and 65 under 35 U.S.C. § 103(a) as being unpatentable over Ito et al. in view of Endejan et al. (U.S. Patent No. 6,427,918). Applicants respectfully submit that claims 63 and 65 should be allowable as

depending from independent claim 47, as Applicants believe that independent claim 47 is also allowable.

In Section 12 of the Office Action, the Examiner rejected claims 1-3, 14, 18-21, 23-26, 37, 41-44, and 46 under 35 U.S.C. § 103(a) as being unpatentable over Harari et al. in view of Endejan et al. Applicants respectfully assert that the Endejan et al. reference may not be used to preclude patentability in accordance with 35 U.S.C. § 103(c).

The present application and U.S. Patent No. 6,427,918 to Endejan et al. were, at the time the invention of the present application was made, owed by Palm, Inc. or subject to an obligation of assignment to Palm, Inc.

The revised 35 U.S.C. § 103(c) "applies to all utility, design and plant patent applications filed on or after November 29, 1999." MPEP § 706.02(l)(1). The Endejan et al. was assigned to Palm, Inc., and the present application was also assigned to Palm, Inc. Accordingly, the two references were commonly owned at the time of the invention. See MPEP § 706.02(l)(2).

Because the Endejan et al. reference may not be used to preclude patentability of the present application under 35 U.S.C. § 103(a), Applicants respectfully request that the Examiner withdraw the rejection of claims 1-3, 14, 18-21, 23-26, 37, 41-44 and 46 under 35 U.S.C. § 103(a) over Harari et al. in view of Endejan et al., and allow the above-referenced claims.

In Section 13 of the Office Action, the Examiner rejected claims 4-5 and 27-28 under 35 U.S.C. § 103(a) as being unpatentable over Harari et al. and Endejan et al. and further in view of Petty.

Again, because the Endejan et al. reference may not be used to preclude patentability for the reasoning provided above, the Examiner should withdraw the rejections of claims 4-5 and 2-28 under 35 U.S.C § 103(a) and allow the respective claims.

In Section 14 of the Office Action, the Examiner rejected claims 6-7 and 29-30 under 35 U.S.C. § 103(a) as being unpatentable over Harari et al. and Endejan et al., and further in view of Hawkins et al. (U.S. Patent No. 6,442,637).

Because the Endejan et al. reference may not be used to preclude patentability of the present application under 35 U.S.C. § 103(a), Applicants respectfully request that the Examiner withdraw the objection of claims 6-7 and 29-30 based upon Harari et al. and Endejan et al. further in view of Hawkins et al. Accordingly, the Examiner should allow the respective claims.

In Section 15 of the Office Action, the Examiner rejected claims 8-9, 16, 22, 31-32, 39 and 45 under 35 U.S.C. § 103(a) as being unpatentable over Harari et al. and Endejan et al. and further in view of Ito et al.

Because the Endejan et al. reference may not be used to preclude patentability of the present application under 35 U.S.C. § 103(a), Applicants respectfully request that the Examiner withdraw the rejection of claims 8-9, 16, 22, 31-32, 39 and 45 under 35 U.S.C § 103(a) based upon Harari et al., Endejan et al., and further in view of Ito et al., and allow the respective claims.

In Section 16 of the Office Action, the Examiner rejected claims 10 and 33 under 35 U.S.C. §103(a) as being unpatentable over Harari et al. and Endejan et al. and further in view of Jones.

Because the Endejan et al. reference may not be used to preclude patentability of the present application under 35 U.S.C. § 103(a), Applicants respectfully request that the Examiner withdraw the rejection of claims 10 and 33, and allow the respective claims.

In Section 17 of the Office Action, the Examiner rejected claims 11-13 and 34-36 under 35 U.S.C. § 103(a) as being unpatentable over Harari et al. and Endejan et al., and further in view of Nakashima.

Because the Endejan et al. reference may not be used to preclude patentability of the present application under 35 U.S.C. § 103(c), Applicants respectfully request that the Examiner withdraw the rejection of claims 11-13 and 34-36 based upon the Harari et al. and Endejan et al. references and further in view of Nakashima, and allow claims 11-13 and 34-35.

In Section 18 of the Office Action, the Examiner rejected claims 15 and 38 under 35 U.S.C. § 103(a) as being unpatentable over Harari et al. and Endejan et al. and further in view of Yu.

Because the Endejan et al. reference may not be used to preclude patentability of the present application under 35 U.S.C. § 103(a), Applicants respectfully request that the Examiner withdraw the rejection of claims 15 and 38, and allow the respective claims.

103(a) as being unpatentable over Harari et al. and Endejan et al. and further in view of Rajchel.

Because the Endejan et al. reference may not be used to preclude patentability of the present application under 35 U.S.C. § 103(a), Applicants respectfully request that the Examiner withdraw the rejection of claims 17 and 40, and allow the respective claims.

Applicants believe that the present application is now in condition for allowance. Favorable reconsideration of the application as amended is respectfully requested.

The Examiner is invited to contact the undersigned by telephone if it is felt that a telephone interview would advance the prosecution of the present application.

The Commissioner is hereby authorized to charge any additional fees which may be required regarding this application under 37 C.F.R. §§ 1.16-1.17, or credit any overpayment, to Deposit Account No. 06-1447. Should no proper payment be enclosed herewith, as by a check being in the wrong amount, unsigned, post-dated, otherwise improper or informal or even entirely missing, the Commissioner is authorized to charge the unpaid amount to Deposit

Account No. 06-1447. If any extensions of time are needed for timely acceptance of papers submitted herewith, Applicant hereby petitions for such extension under 37 C.F.R. §1.136 and authorizes payment of any such extensions fees to Deposit Account No. 06-1447.

Respectfully submitted,

Date January 26, 2004

By _____

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# SanDisk To Supply Secure Digital (SD) Cards For Palm's First Handheld Computers Using Removable Memory Cards

SUNNYVALE, CA, Mar. 19, 2001 – SanDisk Corporation (Nasdaq: SNDK) today announced that it is supplying Palm, Inc. with Secure Digital (SD) flash memory cards for the two new Palm™ handheld computers, the Palm m500 and m505 handhelds, introduced earlier today.

The new Palm m500 series features an expansion slot for removable SD cards, providing consumers with an expandable storage option for data, backup files, digital music and other valuable content such as e-books, e-maps, and video. Because of the broad acceptance of SD media, the cards can be shared among a variety of SD-enabled consumer products, such as printers, digital cameras and MP3 players. Palm's expansion-card slot technology adds greatly to the flexibility of the Palm platform by providing the means to add future expansion modules, such as modems, Bluetooth, GPS, digital cameras, barcode scanners and MP3 players.

As a founding member of the SD Association, SanDisk has been instrumental in establishing the SD and SDIO (SD Input/Output) specifications. SanDisk is working closely with Palm, which co-chairs the SDIO committee, to establish SDIO as a standard for extending the capabilities of consumer products.

Palm will be exhibiting the Palm m500 series handhelds with SanDisk-supplied SD cards at the annual CeBIT trade show, where SanDisk is also demonstrating products at the Hannover Convention Center in Hall 13, Stand 84.

Byron Connell, vice president, Product Management and Planning, Palm, Inc., said, "The merits of the SD card—its small size, broad adoption as a standard, power efficiency, low cost, fast transfer rates and support for I/O—made it the best choice for our expansion slot. SanDisk's expertise helped us optimize our dual expansion architecture. With continued support from SanDisk and the SD Association, we intend to strongly promote the SD card standard as the preferred choice for expandable performance, durability and content security."

Nelson Chan, senior vice president of worldwide marketing and sales at SanDisk, said, "I am proud of the close cooperation we have established with Palm and excited about their great new products. Palm's embracing of the SD platform and SanDisk's SD cards will, we believe, be a transforming event for the handheld market and adds greatly to the rising momentum for the SD card as a universal card standard."

SanDisk participates in Palm's PluggedIn Program and has been qualified to use the Designed for Palm Handhelds logo to let customers know that SanDisk SD cards will work with Palm m500 series handhelds. SanDisk also will roll out special marketing activities in select retail channels worldwide to promote the benefits of selecting SanDisk SD cards when purchasing a Palm m500 series handheld.

**SD Card Background**

The postage stamp-size SD card is available in 8, 16, 32 and 64MB versions, with plans for significantly higher capacities in the future. Proprietary security functions have also been incorporated into the SD card that facilitate the secure exchange of content between host devices and the card. The security technology has been designed to comply with the Secure

Digital Music Initiative (SDMI), making it an ideal solution for the transfer of digital content such as music and books.

The SD Memory Card was introduced in August, 1999, by Matsushita Electric Industrial Co., Ltd. (NYSE:MC), best known by its Panasonic brand name, SanDisk and Toshiba Corp. The SD Association, which already has more than 225 member companies, is an industry-wide association created to set industry standards for the card and promote its wide acceptance in digital applications including Internet music players, Internet appliances, cellular phones, digital still cameras, digital video cameras, handheld computers, automotive systems, set-top boxes and other products.

SanDisk Corporation, the world's largest supplier of flash data storage products, designs, manufactures and markets industry-standard, solid-state data, digital imaging and audio storage products using its patented, high density flash memory and controller technology. SanDisk is based in Sunnyvale, CA. The matters discussed in this news release contain forward looking statements that are subject to certain risks and uncertainties as described under the caption "Risk Factors" in the company's annual report on Form 10-Q filed with the Securities and Exchange Commission. The company assumes no obligation to update the information in this release.

# Press Releases

**New Sleek Palm m500 and m505 Handhelds Add Expansion, Mobile Connectivity and Vibrant Color**

Postage-Stamp-Size SD and MultiMediaCard Slot for Built-in Expansion Options

Tops Industry for Smallest Size

SANTA CLARA, Calif., March 19 /PRNewswire/ -- Palm, Inc. (Nasdaq: PALM), a leading provider of handheld computers, today unveiled a new era in sleek, expandable handheld computing -- the Palm(TM) m500 series handhelds. Two new models -- the Palm m500 monochrome handheld and the Palm m505 color handheld, defined by its vibrant 16-bit color screen -- pack the power of flexible dual, plug-and-play expansion and mobile Internet access capability into the next generation of the best-selling Palm V handheld product design. A Secure Digital (SD) and MultiMediaCard expansion slot about the size of a postage stamp, a new Universal Connector for hardware add-on modules, and Internet connectivity software make the m500 series handhelds the most wearable, expandable and wireless-capable handhelds on the market today.

(Photo: http://www.newscom.com/cgi-bin/prnh/20010319/HSM016-a

http://www.newscom.com/cgi-bin/prnh/20010319/HSM016-b )

Both handhelds feature a new Arctic Mist metallic silver color as well as a new, gentle curve for easier gripping at the products' waistline. The m500 handheld, weighing just four ounces, is scheduled to be available in the United States in late April for an estimated street price (ESP) of $399 (U.S.).(1) International availability is expected in May. The m505 handheld, the lightest expandable color-screen handheld computing product ever designed, is scheduled to be available in the United States in May for $449 (ESP).

International availability is expected in June. Outside the United States, users can choose from six languages for both models -- English, French, Italian, Spanish, German and Japanese. Effective today, the popular Palm Vx handheld moves from $399 to $349 (ESP).

IBM intends to announce and ship new versions of its WorkPad, based on the m500 series handhelds, in the second quarter. Palm is an OEM for IBM WorkPads.

"We selected SD and MultiMediaCard technology for our expansion slot because its small size allows us to maintain the elegant, sleek form factor valued by our customers. Users can now easily carry additional memory, video clips, images, applications, games, backup capability and more," said Byron Connell, vice president, Product Management and Planning, Palm, Inc. "Its adoption as a standard [by a broad variety of leading manufacturers], power efficiency, low cost, fast transfer rates and support for I/O make it the best choice for collaboration and sharing among Palm handhelds and other consumer electronics devices."

In addition, Palm recognizes users want remote access to their corporate and personal data and has included Mobile Connectivity software with the m500 series handhelds. Using a compatible data-enabled mobile phone or modem, customers have wireless Internet access readily available for email and web content via their Internet Service Provider.

Dual Expansion Architecture

The Palm m500 series handhelds introduce Palm's dual expansion architecture, which includes an SD and MultiMediaCard expansion slot and a new Universal Connector, which supports add-on modules. These new expansion technologies will be common across future Palm handhelds.

SD and MultiMediaCard -- Small, Flexible and Cost-effective

Palm's postage-stamp-size expansion slot offers plug-and-play use of the industry's smallest expansion formats: SD and MultiMediaCard media. The expansion cards, which range from 8MB to 256MB(2), can be easily carried and inserted in the expansion slot for instant access to applications, content, data storage and backup, images, video clips and more. Because of the broad acceptance of SD and MultiMediaCard media, the cards can be shared among a variety of consumer electronics products as well, such as printers, digital cameras and MP3 players.

Like Palm, more than 200 companies, including Panasonic, Toshiba and SanDisk, have committed to supporting the SD card standard for use in multiple consumer products. More information on the SD Association can be found at http://www.sdcard.org .

More information about MultiMediaCard media is available at http://www.mmca.org .

"As one of the companies that led the development of the SD memory card, Panasonic is excited by Palm's adoption of the SD format as part of its expansion strategy," said Arthur Matsumoto, vice president of planning at Panasonic's North American headquarters, Matsushita Electric Corporation of America. "Panasonic believes that consumers will benefit from innovative applications that will result from the enhanced interoperability between Palm handhelds and a wide range of personal technology devices, including those from Panasonic. We expect that the launch of these new SD-capable Palm handhelds will be a major step forward for the SD format as a whole."

The SD format also supports input/output (SDIO) connectivity for future capabilities. With SDIO, manufacturers will be able to miniaturize their technologies to create SDIO modules for scanners, radios, modems, cameras and MP3 players. A number of manufacturers, including Toshiba and Panasonic, have already announced plans to create SDIO cards using technologies such as

Bluetooth, a new wireless standard that will enable seamless collaboration among handhelds and other computing products.

This flexible media gives the more than 145,000 developers for the Palm OS(R) platform the opportunity to create and distribute an even broader array of products and software. Plus, the low cost of the media will allow for a broader and more rapid proliferation of solutions for consumers and businesses. For example, businesses will be able to provide employees with up-to-date materials, such as databases, sales collateral and product manuals, in a cost-effective manner.

New Universal Connector -- Superfast USB HotSync(R) Cradle

The m500 series will be the first to include Palm's new Universal Connector, a standard connector and attachment methodology to be common across future Palm handhelds.

The m500 series products are bundled with Palm's USB HotSync cradle, providing even easier setup and faster synchronization than previous models. The USB cradle provides out-of-the box connectivity for both PC and Macintosh users. The cradle also supports the Universal Connector and as such will become the standard cradle for future Palm products.

The Universal Connector will allow developers to create common hardware add-ons, such as wireless modems, cameras, GPS receivers and MP3 players, that can be used across a broad variety of future Palm handhelds, giving corporate and individual customers the most flexibility for extending the functionality of their handhelds.

"Palm believes the Universal Connector is an important step toward simplifying the process of selecting expansion solutions for handheld computers because it will lead to all products being compatible with all peripherals," said Byron Connell. "Ultimately, this will provide more choices

for consumers, easier maintenance by corporate IT groups, and greater opportunities for third-party developers."

Mobile Connectivity -- Many Ways to Stay Connected

The m500 handheld series offers people several options for keeping in touch. The included Palm Mobile Connectivity software allows customers to connect to the Internet and manage email(3) and Short Messaging Service (SMS) virtually anytime, anywhere using a compatible modem or mobile phone.(4)

The Palm Mobile Connectivity software includes web clipping technology and the MyPalm(TM) mobile portal application. Web clipping technology enables handheld users to access popular web content, such as ABC News, ESPN, CBS Marketwatch and Fidelity, in a format tailored for fast, comfortable handheld viewing. More than 600 web clipping applications can be downloaded for free at http://www.palm.net .

The MyPalm mobile portal application offers users access to a powerful new web-based service that gives them the freedom to manage their personal data and customize their favorite Internet content wirelessly from their Palm handhelds.

For email, the Palm Mobile Connectivity software includes Palm MultiMail(R) software, providing access to personal Internet mail (POP3, IMAP4), such as Earthlink and AT&T WorldNet. The software also includes support for SMS, which lets users send and receive messages and data with a GSM data-enabled mobile phone.

In addition, both the m500 and m505 handhelds in the United States include AOL for Palm OS, which gives AOL members handheld access to AOL email and instant messaging in the office, on the road, or anywhere they can make a connection. Many other web-based email applications, such as Yahoo! Mail and Hotmail, also can be downloaded for free at http://www.palm.net .

Both handheld models also come with Palm HotSync Mail, which enables people on-the-go to read and reply to desktop email offline.

Vibrant Color -- Crisp Screens Without Sacrificing Battery Life

The m505 product's new color screen offers bright and easy readability, indoors and out. The reflective screen is designed to support more than 65,000 colors and color-rich 16-bit applications for clear viewing of games, photos and video clips. The m505 handheld Graffiti(R) writing area can be backlit for easy reading in dark conditions.

The new Palm m500 series handhelds use a powerful new lithium polymer battery that easily handles the color screen demands of the m505 handheld. This small, light new technology provides three to four weeks of average use on a single charge.

The m500 handheld uses an enhanced gray-scale screen for a crisp, clear display, with greater contrast for easier readability.

New Functionality -- Faster Operations, Upgradeability, Enhanced Notification

The m500 series handhelds offer a faster processor, the Dragonball VZ 33MHz, for faster handheld operations. Both models have 4MB flash memory, which provides more flexibility and upgradeability, and 8MB of RAM for highly efficient storage of additional data and applications.

Both the m500 and m505 can be programmed for silent alerts. Users can choose between an audible alarm, a vibrate mode or a blinking LED for notification of important events and messages.

Also included are the popular Clock and Note Pad applications, first introduced in the Palm m100 series handhelds.

New Palm OS(R) Software -- Native Expansion, USB and Wireless Capabilities

The m500 series handhelds are the first to include the latest version of Palm's industry-leading operating system, Palm OS v4.0, which now includes support for the following:

* Plug-and-play Expansion -- Dual plug-and-play architecture for SD and MultiMediaCard expansion card slot and a new Universal Connector.

* Native USB Support -- New USB-enabled Universal Connector for faster HotSync operations and easier setup.

* Security -- Improved security with new password protection, user-configured automatic lockout, improved data masking and password "hinting."

* Web clipping and SMS support -- Improved Internet access and SMS for mobile and wireless access to web content and data.

* Notification -- Expanded event notification options and "subtle" alarm support for Palm OS applications.

* Time-zone Support -- Improved scheduling across time zones.

* Address Book Dial Command -- Users can dial phone numbers directly from the Palm Address Book when connected to a compatible mobile phone.

Palm Desktop Software -- Enhanced for Windows Users, Mac Software Now Included

The m500 series products come with the latest versions of Palm's popular desktop PIM software for Windows and Mac OS. The Palm Desktop software v4.0 for Windows includes enhanced functionality as well as conduit software for synchronizing with Microsoft Outlook's calendar, contacts, notes and tasks.

The latest version of Palm Desktop software v2.6 for Mac OS and the USB HotSync cradle let Mac users get started out-of-the-box.

Bonus Software -- Enhanced Handheld Capabilities

Included with the m500 series handhelds are a number of software applications that can be installed for capabilities that enable users to do more with their handhelds (see press release addendum for specific details). If bought separately, these bundled products would cost more that $100 (EPS).

* Palm Reader -- Users can read electronic books on their Palm handhelds.

* DataViz Documents To Go 3.0 -- Enables users to view and edit Word documents, Excel spreadsheets and other document types.

* MGI PhotoSuite Mobile Edition -- Users can view and share images and video clips.

* Infinity Softworks powerOne Personal calculator -- Users can perform advanced math and business functions.

* AvantGo -- Provides wireless and offline access from a handheld to content and applications on the web.

* AOL for Palm OS -- AOL members can send and receive AOL email and

instant messages.

* Chapura PocketMirror 3.02 -- Synchronizes with Microsoft Outlook calendar, contacts, tasks and notes

PalmPak(R) Content Cards and New Utility Cards

In conjunction with the m500 and m505 handheld introduction, Palm today offers five PalmPak content cards and two utility cards:

Content Cards

* Travel -- Three travel cards are available:

-- United States -- Includes Lonely Planet CitySync Travel Guides for six cities, and time-zone management software; sells for $39.95 (ESP).

-- Europe -- Includes Lonely Planet CitySync Travel Guides for six cities, time-zone management software, a currency conversion calculator, and language translators; sells for $39.95 (ESP).

-- Asia Pacific -- Includes Lonely Planet CitySync Travel Guides for six cities, time-zone management software, and currency conversion calculator; sells for $39.95 (ESP).

* Games -- Bundled with 10 games, including Zap!2016, SimCity, PxBlackjack and Klondike Solitaire; sells for $29.95 (ESP).

* Reference Dictionary/Thesaurus Card -- For quick reference on-the-go, includes Merriam-Webster's Collegiate Dictionary (Tenth Edition) and the Franklin Advanced Thesaurus; sells for $39.95 (ESP).

Utility Cards

* Backup Card -- Users can back up and restore data from their expansion-slot enabled Palm handhelds in seconds; sells for $39.95 (ESP) each.

* 16MB Expansion Card(5) -- Triples the handheld's storage capacity to hold extra software applications, music, databases and more; sells for $49.95 (ESP).

Palm expects many third-party companies to announce SD and MultiMediaCard expansion cards for the m500 series handhelds in the near future (see addendum for more information).

Accessories and Peripherals -- Fashionable and Stylish Customization

Many new accessories and peripheral options are now available for the Palm m500 series handhelds:

* Cases -- Four fashionable leather case options for the m500 series are available, ranging in price from $24.95 for the most basic to $34.95 for a zippered model with slots designed to conveniently hold SD or MultiMediaCard media. Also available is the Deluxe Leather Carrying Case ($39.95 ESP) for carrying both a Palm m500 series handheld and the Palm Portable Keyboard.

* Palm Portable Keyboard -- Also available today for the new m500 series handhelds is the popular Palm Portable Keyboard, a best-selling collapsible keyboard for typing on-the-go. With its full-sized QWERTY layout, users can take notes and manage email while on the move. This version features the new Universal Connector and sells for $99.

* PalmModem(R) Connectivity Kit -- The PalmModem Connectivity Kit allows 56K dialup data speeds for remote HotSync Mail and access to the Internet for email using MultiMail SE or AOL Mail, and web clipping.

* Travel options -- For users who travel frequently, Palm offers several travel accessories, including a charging kit and serial and USB HotSync cables.

More information on accessories for the m500 series handhelds is available at http://www.palm.com . Product configurations and accessories will vary among regions.

Images of the Palm m500 series handhelds are linked to the press release on the PR Newswire website ( http://www.prnewswire.com ).

About Palm, Inc.

Palm, Inc. is a pioneer in the field of mobile and mobile and wireless Internet solutions and a leading provider of handheld computers, according to IDC (December 2000). Based on the Palm OS(R) platform, Palm's handheld solutions allow people to carry and access their most critical information with them wherever they go. Palm(TM) handhelds address the needs of individuals, enterprises and educational institutions through thousands of

application solutions.

The Palm OS platform is also the foundation for products from Palm's licensees and strategic partners, such as Franklin Covey, Handspring, IBM, Kyocera, Sony, Symbol Technologies, and TRG. Platform licensees also include Nokia and Samsung. The Palm Economy is a growing global community of industry-leading licensees, world-class OEM customers, and more than 145,000 innovative developers and solution providers that have registered to develop solutions based on the Palm OS platform. Palm went public on March 2, 2000. Its stock is traded on the Nasdaq national market under the symbol PALM. More information is available at http://www.palm.com .

(1) Dealer prices may vary.

(2) User accessible area will be less due to division of card into security area and user accessible area.

(3) Internet and email features require an Internet connection.

(4) A list of mobile phones compatible with the Palm m500 series handhelds can be found http://www.palm.com .

(5) The total card capacity of 16 million bytes is divided into a security area and a user accessible area (of approximately 14.6 million bytes).



Palm m500 Series Press Release Addendum

I. Bonus Software

Palm Reader

Read books and periodicals wherever and whenever convenient. With the Palm Reader, a Palm(TM) handheld user can download and start reading eBooks in minutes. Best-selling novels, reference manuals and periodicals are all available for Palm handhelds. Also included are two free eBooks to get started -- "12 Valuable Ways to Use Your Palm" from Velocity Business Publishing and "Tarzan of the Apes," Edgar Rice Burroughs' classic story.

http://www.palm.com/eBooks

AOL for Palm OS

AOL members can now check AOL email or send an instant message from the mall, airport, or just about anywhere. With the AOL 2.0 for Palm OS(R) application, it's simple and it's free to AOL members. All that is needed is a Palm handheld, an America Online account and either a Palm compatible modem or a data-enabled mobile phone.

http://www.aol.com/anywhere

AvantGo

The AvantGo mobile Internet service provides free interactive and personalized content and applications to Palm handhelds. With AvantGo, Palm handheld users can access the web, on a wirelessly enabled Palm handheld or via desktop synchronization, or select from more than 650 optimized content channels for up-to-date news, stock quotes, flight schedules, movie listings, restaurant reviews, maps, weather, and much more.

http://www.avantgo.com

Chapura PocketMirror 3.02

PocketMirror has been the handheld industry's Outlook synchronization standard for the past 3 years. PocketMirror is easy to install with no configuration required, and allows for simple one-button synchronization of data between the desktop and the handheld. It fully supports all Palm OS handheld computers.

http://www.chapura.com

DataViz Documents To Go 3.0

View and edit documents and spreadsheets, such as Word and Excel, on a Palm handheld. Simply drag files into the desktop application and the next time the Palm handheld is synchronized, those files will be moved to the handheld. Virtually all formatting will be retained, such as bold, italics, underlines, justifications, indentations, auto bulleting and numbering -- even tables. Supported formats include Word, Excel, WordPerfect, Lotus 1-2-3, Quattro Pro, text, and more.

http://www.dataviz.com

Infinity Softworks' powerOne Personal Calculator

Advanced math functions, including power and square root, coupled with basic business functions, such as tips, margins, markups, and percent change, make powerOne Personal an excellent general-purpose calculator.

http://www.infinitysw.com

MGI PhotoSuite Mobile Edition

Carry favorite photos and video clips with you wherever you go. Powerful editing and viewing tools for the complete video and imaging experience. Capture, view, edit, produce and share video clips or images with anyone, anywhere. Store images and videos on Secure Digital or MultiMediaCard media.

Supported formats include JPEG, GIF, TIF, AVI, WMF and MOV.

http://www.mgisoft.com

II. PalmPak(R) Content Cards and New Utility Cards

PalmPak Content Cards

PalmPak Travel Cards

The PalmPak(R) Travel Cards provide a convenient way to access travel information when needed, without taking up valuable memory on the handheld when not in use. Three PalmPak Travel Cards are now available: United States, Europe and Asia Pacific.

Applications available on the PalmPak Travel Cards include TimeTraveler Time Zone Management by Class Action Proprietary, CityTime World Clock by Code City, SmallTalk by Landware, CitySync Travel Guides by Lonely Planet, and Currency Calculator by Terai Tech.

PalmPak Games Card

The PalmPak Games Card includes 10 games that are designed to run off the card so they don't have to be loaded into the handheld's memory. All games play in color or monochrome, depending upon the handheld's capability.

Applications available on the PalmPak Games Card include SimCity v1.5 by Atelier Software and Maxis, Zap!2000 by AstraWare, Klondike Solitaire and Vegas Slots by Electron Hut, Chroma Pack (chess, checkers and backgammon) by Whitehorse Games, 9-Ball by Landware, Bubblet by oopdreams Software, and PXBlackjack by Pocket Express.

PalmPak Dictionary/Thesaurus Card

The PalmPak Dictionary/Thesaurus Card provides a comprehensive reference library designed to run off the card so that only a minimal amount of the handheld's memory is used.

The PalmPak Dictionary/Thesaurus Card includes Merriam-Webster's Collegiate Dictionary (Tenth Edition) and the Franklin Advanced Thesaurus.

Utility Cards

Backup Card

The Backup Card allows users to back up Palm handheld data and restore previously backed-up data to any 8MB expansion-slot-enabled Palm handheld in seconds. It provides protection against handheld data loss or battery depletion -- especially while traveling -- as well as security for data with password protection and data encryption.

16MB Expansion Card

The 16MB Expansion Card provides extra memory anytime, anywhere. Palm handheld users can carry and store software applications, pictures, music and more on this fast, compact card -- even if the handheld's memory is full.

III. PluggedIn Program Members

DeLorme

The Secure Digital GPS solutions, from the Eartha Systems business unit at DeLorme Publishing, will allow people the ability to see their current position and track their travels in conjunction with the full features of the Solus Pro application, which provides mapping and routing of the entire United States so they can travel easily in unfamiliar areas. These solutions will be

targeted at the mobile professional, frequent travelers and the outdoor recreation enthusiast.

Estimated availability: June 2001

Contact: Ron Brann, ronb@delorme.com

http://www.earthasystems.com

Infineon

Infineon will be providing software application cards for the new Palm m500 and m505 handhelds. Infineon's 16MB capacity MultiMediaCard storage cards will provide Palm handheld users with access to applications and data programs, such as games, reference and travel information. Additionally, Infineon will establish an e-commerce sales channel to provide third-party developers with access to small lot orders of MultiMediaCard media and the tools required to make applications and content available in this format.

http://www.infineon.com

Eastman Kodak Company

The new Kodak PalmPix camera from Eastman Kodak Company quickly and affordably turns the latest Palm handhelds, the m500 and m505, into color digital cameras. Designed for savvy, style-conscious Palm handheld users who want to take pictures while on the go, the camera will be available in the first half of 2001 for $129.95. Sleek and stylish, the camera folds like a cell phone and can take full advantage of the handhelds' newest feature, the expansion slot, which lets users store pictures on the removable SD and MultiMediaCard media. The SVGA resolution (800 x 600 pixels), image sensor and adjustable focal range (the three-position lens focuses from 4 inches to infinity) mean better pictures, suitable for printing photo-realistic images up to 4 inches x 6 inches.

Estimated street price: $129.95 (U.S.)

Estimated availability: first half of 2001

Contact: Erin Foster, Kodak, 716-781-9539, erin.foster@kodak.com or

Tara Poole, Shandwick, 646-658-8000, tpoole@shandwick.com

http://www.kodak.com/go/palmpix .

Landware

Pocket Quicken, from LandWare, gives people a mobile companion to their desktop Quicken application so they can quickly capture transactions that will synchronize back to Quicken (on a Windows or Macintosh desktop).

Target Market: Quicken owners and those interested in tracking their spending.

Estimated street price: $39.95 (U.S.)

Estimated availability: Q3 2001

Contact for more information: sales@landware.com

http://www.landware.com

http://www.landware.com/PocketQuicken/

Zagat 2001 Restaurant Guide, from LandWare, transforms a Palm handheld into the most useful, comprehensive and reliable dining guide around with instant access to up-to-date reviews, ratings, costs and features. Each guide contains the same extensive information found in Zagat's best-selling books. Includes 22 cities plus the New York City Nightlife Guide.

Target Market: consumer market

Estimated street price: $39.95 (U.S.)

Estimated availability: Q3 2001

Contact for more information: sales@landware.com

http://www.landware.com

http://www.landware.com/zagat

Small Talk, from LandWare, provides a five-language translator for the traveling professional or tourist. Provides phrase translations into five languages: English, French, German, Spanish and Italian. The world's first two-way real-time translator, Small Talk is a software application for handheld computers. More than just a phrase book or a dictionary, Small Talk allows users to engage in a real conversation with another person, even if you don't speak the same language.

Target Market: international travelers

Estimated street price: $39.95 (U.S.)

Estimated availability: Q4 2001

Contact for more information: sales@landware.com

http://www.landware.com

http://www.landware.com/smalltalk/

Macronix

Macronix has announced a new family of low-cost, read-only MultiMediaCard media for the Palm m500 series handheld computers. These new products are fully compatible with the expansion-card slot built into the Palm m500 and m505 handhelds, as well as into future Palm handhelds, and will be available in densities from 2MB to 32MB. The cards are approximately the size of a postage stamp with the thickness of a credit card. The cards are an ideal medium for a variety of content, including books, dictionaries, maps, travel guides and games. The cards also may be used to store such complex content as music compressed in formats such as MP3.

Novatel Wireless

Minstrel m500 series of wireless handheld modems for the Palm m500 series: Novatel Wireless, Inc, a leading provider of wireless data communications access solutions, will provide both CDPD and GSM/GPRS wireless modem solutions for the Palm m500 and Palm m505 handhelds. The modems offer users the ability to access email, corporate LANs and the Internet wirelessly from their m500 and m505 handhelds so they can travel freely, in the United States and Europe, and still stay connected wherever CDPD or GSM/GPRS service is available.

Target Market: mobile professionals

Estimated street price: $369 (U.S.)

Estimated availability: April 2001

Contact: 1-888-888-9231

http://www.novatelwireless.com

Portsmith, Inc.

Portsmith, Inc. offers the Portsmith Ethernet cradle for the Palm m500 and m505. The cradle is a cost-effective solution for access to and synchronization of mission-critical data from anywhere within the enterprise. Corporate end users across a variety of industries and vertical markets, including education and healthcare, can now update their data and charge their Palm handhelds in common areas such as lobbies, conference rooms and cafeterias without the need to return to their desktops.

Estimated street price: $199 (U.S.)

Estimated availability: June 2001

Contact: Daren Nordhagen, 208-395-1300 ext. 224 or darenn@portsmith.com for additional information or to register for a limited number of early release products.

http://www.portsmith.com

SanDisk Corporation

SanDisk Corporation is supplying Palm with Secure Digital (SD) flash memory cards for the Palm m500 series handhelds. SanDisk participates in Palm's PluggedIn Program and has been qualified to use the Designed for Palm Handhelds logo to let customers know that SanDisk SD cards will work with Palm m500 series handhelds. SanDisk also will roll out special marketing activities in select retail channels worldwide to promote the benefits of selecting SanDisk SD cards when purchasing a Palm m500 series handheld.

Shinei

i-Vox for the Palm m500 and Palm m505 handhelds, from Shinei International, gives people an easy-to-use voice recorder with 99-message or eight-minute recording capability so they can make reminders, phone numbers, driving directions or notes to self.

Target Market: executive road warrior

Estimated Street Price: $59.95 (U.S.)

Estimated availability: April 2001

Contact: custsvc@shinei.com.sg

http://www.i-vox.com

Syncharger for the Palm m500 and Palm m505 handhelds, from Shinei International, gives people an effortless charging solution using a pair of AA alkaline batteries, with both USB and serial ports for HotSync(R) operations to the user's desktop or notebook computer.

Target Market: Business traveler

Estimated Street Price: $59.95 (U.S.)

Estimated availability: July 2001

Contact: custsvc@shinei.com.sg

http://www.syncharger.com

Socket Communications

Socket's Digital Phone Connection makes it easy to attach a Palm m500 or m505 handheld to a mobile phone for wireless applications such as email, web browsing, e-commerce and remote access to corporate data. Socket's energy-efficient solution includes a low-profile module that plugs into the Universal Connector of a Palm m500 or m505 handheld and connects via a cable to a data-enabled mobile phone. The initial versions of Socket's Digital Phone Connection will be compatible with Motorola's StarTAC, Timeport, Talkabout and V Series handsets and with a variety of handsets from Samsung. Socket expects Digital Phone Connection to be available in Q2 2001.

Target market: mobile professionals and telecommuters

Estimated street price: $69 (U.S.)

Estimated availability: Q2 2001

Contact: Peter Phillips, peter@socketcom.com

http://www.socketcom.com/palmprods.htm

Socket's In-Hand Scan Card for Palm makes it a snap to add high-performance bar-code scanning to a Palm m500 or m505 handheld computer. Integrating a state-of-the-art miniature laser scan engine from Symbol Technologies onto a Secure Digital input/output (SDIO) card, the In-Hand Scan Card for Palm handhelds offers an instant plug-in solution that lets users scan bar codes with one hand. The laser scan engine from Symbol makes automatic data collection easy, fast and accurate, enabling emerging consumer-based bar-code scanning applications such as scanner-assisted shopping, as well as commercial applications. No extra batteries are needed.

Target markets: retail, manufacturing, transportation and medical

applications, such as inventory management, shipping/receiving, route delivery, field inspection, market research, patient tracking, clinical control, access control, and other mobile data-collection activities. The device is also ideal for new and emerging consumer-based bar-code scanning applications, such as scanner-assisted shopping and print-to-web access.

Estimated street price: $249 (U.S.)

Estimated availability: Q4 2001

Contact: Jack Brandon, jack@socketcom.com

http://www.socketcom.com/palmprods.htm

Sunderland Technologies Pte Ltd

Sunderland Technologies, a technology leader and pioneer in providing wireless solutions, announces that it is building SMARTclip III, a compact and integrated add-on Smart Card reader and writer for Palm handhelds using the Universal Connector. With the Universal Connector, SMARTclip III will be compatible with Palm m500 and m505 handhelds. SMARTclip III is estimated to ship in June 2001 at an estimated street price of $120 (U.S.). The various applications for SMARTclip include electronic monetary transactions, merchant loyalty incentives, identification purposes, controlled access to databases and time attendance tracking. At the same time, Sunderland Technologies will also be extending product support for SDIO for Bluetooth as well as a contact-less smart-card reader.

Estimated street price: Bluetooth, $199 (U.S.)

Estimated street price: Contact-less smart-card reader, $120 (U.S.)

Estimated availability: Q3 2001

Contact: Mun Ling Lee, munling@sunland-group.com

Mobile: +65-9876-4604

http://www.sunland-group.com

150 Kampong Ampat, #04-01/02 KA Centre

Singapore 368324

Tel: +65-286-2555

Fax: +65-286-2552

TDK/Global Pulse

GlobalPulse, from TDK Systems Europe Ltd, gives people an easy and unique solution for connecting Palm m500 and Palm m505 handhelds and mobile handsets so they can experience their own mobile office for email, internet, text messaging and phone management.

Target Market: corporate, business and personal user

Estimated street price: from $79 (U.S.)

Estimated availability: April 2001

Contact: darren.watkins@tdksys.com or sales@tdksys.com

http://www.gsm4palm.com

Xircom

The Xircom 802.11b Wireless Ethernet module for Palm handhelds gives users Wireless Local Area Network (WLAN) connectivity for access to email, the Internet and the corporate network so they can remain connected while roaming within the building or corporate campus.

Target market: enterprise customers and small/medium businesses.

Estimated street price: $299 (U.S.)

Estimated availability: Q3 2001

Contact: Dean Edwards, Product Line Manager, Xircom, Inc.,

handheld@us.xircom.com

http://www.xircom.com

Industry Associations

MMCA

Palm, Inc. is a contributing member of the MultiMediaCard Association (MMCA) and its board of directors.

About MultiMediaCard

MultiMediaCard is the world's smallest (24mm x 32mm x 1.4 mm) removable solid-state memory solution for mobile applications such as MP-3 music players, portable video games, laptop computers, personal digital assistants (PDAs), mobile telephones and digital cameras. These convenient, reliable, rugged and lightweight standardized data carriers store up to 128MB, sufficient for 120 minutes of MP-3 digital music, or approximately 80,000 book pages. MultiMediaCard media use ROM technology for read-only applications and Flash technology for read/write applications. The cards are fast for excellent system performance; energy efficient for prolonged battery life in portable products; and cost-efficient for use in systems sold at consumer price points. They also have an easy-to-install serial interface.

About the MultiMediaCard Association (MMCA)

The MultiMediaCard Association (MMCA) was founded in 1998, with 14 companies, to promote the worldwide adoption of a postage-stamp-size, removable storage standard for storing and retrieving digital information in small, low-power devices. The organization has grown rapidly and now has 100 members worldwide, representing all branches of mobile electronic applications, including semiconductor suppliers, software vendors and manufacturers of products such as music players, mobile phones, personal digital assistants (PDAs), digital cameras, voice recorders, GPS navigation

devices, bar-code scanners and more. The MMCA developed and regulates open industry standards that define all types of MultiMediaCard media, ensuring full interchangeability between the cards produced by all MMCA members. MultiMediaCard media offer an unmatched array of features and benefits, and are becoming the industry standard for compact removable storage media across multiple host platforms and markets. MMCA headquarters are located at 19672 Stevens Creek Blvd., PMB 404, Cupertino, CA 95014. More information is at the web site, http://www.mmca.org

Contact for more information:

Tom Mahon

Thomas Mahon Associates

tmahon@ncal.verio.com

925-937-4921

Secure Digital Association (SDA)

Palm, Inc. is a contributing member of the Secure Digital Association (SDA) and its board of directors.

About Secure Digital (SD) Card Media

SD card media is the product of the Secure Digital Association (SDA), an open industry standards organization established in January 2000 by industry leaders SanDisk, Toshiba and Matsushita (Panasonic). Its mission is to set industry standards for SD card media and promote its wide acceptance in a variety of applications.

In its short existence, the SDA has grown to more than 220 members strong. In addition to the founders, members include such powerhouses as JVC, NEC, Philips, QUALCOMM, Kodak, Compaq and Canon, many of which are already planning a range of new-generation consumer electronic devices that create, store and

communicate digital content in exciting new ways. The SD standard is being built into a wide range of new digital products, such as cellular phones, audio players, automotive multimedia systems, handheld PCs, and video and digital still cameras.

http://www.sdcard.org

Contact for more information:

Ray Creech

831-623-2107

fax: 831-623-2248

rcreech@sdcard.org



SOURCE Palm, Inc.